

Iowa Medicaid Enterprise “Endeavors Update”



A Communications Effort to Strengthen Partnerships

Iowa Medicaid Director’s Column

Terry E. Branstad, Governor
Kim Reynolds, Lt. Governor

Iowa Department of Human Services
Charles M. Palmer, Director
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Special points of interest:

- CHIPRA Bonus
- Electronic Health Records
- Medicaid Projections
- IME New Projects Series
- Understanding HCBS Waivers Series
- Olmstead Report Issued

In this month’s edition we share good news about the successful CHIPRA performance bonus and our implementation of a landmark program to provide incentives to health care providers who adopt certified electronic health records for Medicaid patients. We continue our series of stories about new projects at the IME and continue an in-depth conversation about HCBS waivers. In addition, we invite you to learn more about three recent reports of interest. January marks the beginning of a new General Assembly. By the time this

edition is published I will have had the opportunity to make a presentation before the Human Services Budget Subcommittee. I appreciate opportunities to share information with policy makers and raise awareness about the services we implement with their oversight. Finally, I’d like to thank the Iowa State Association of Counties (ISAC) for posting the IME Newsletter on their webpage. You can find the link under the heading “New & Noteworthy” at :

<http://www.iowacounties.org/>

Thank you for reading the 5th edition of the Iowa Medicaid Newsletter. We welcome new readers to our distribution list.



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Governor Branstad Signs on to Health Care Lawsuit

On Tuesday, January 18, Governor Branstad announced that Iowa had joined the federal health care lawsuit with 27 other states, including Virginia, which filed their own lawsuit. According to the Governor’s official release the “lawsuit challenges the individual mandate that would force Iowans to buy the federal

government’s mandated health insurance, as well as the Medicaid expansion that is costly to states, with its “one-size-fits-all” Medicaid approach that forces states to cut other critical programs.” Branstad said, “I am signing on to this suit as the governor on behalf of the people of Iowa, because I believe Iowa taxpayers de-

serve to be heard on this critical matter...As we begin constructing our five year budget, there is no doubt that the current federal health care law will shackle Iowa taxpayers for billions in unfunded mandates.”

Iowa Leads the Country with Electronic Health Records Incentives

Iowa is on the front line of implementing a landmark program to provide incentives to health care providers who adopt certified electronic health records for Medicaid patients. The Electronic Health Records, or EHR Incentive Program, will result in an estimated \$125-225 million total incentive payments directly to qualified Iowa Medicaid providers over the next ten years. Eligible professionals can receive up to \$63,750 in

federal funds over a six year period. The funds were authorized by the American Recovery and Reinvestment Act of 2009 (ARRA) to provide incentive payments to eligible professionals and hospitals as they adopt, implement, upgrade, or demonstrate meaningful use of certified electronic health records technology. Iowa is one of only eleven states that were ready to launch their program in January 2011, the earli-

est date possible under federal legislation. Registration for the Iowa program started on January 3rd. Registered eligible professionals and registered eligible hospitals should begin receiving incentive payments the week of January 17th.

“CMS appreciates Iowa’s commitment and dedication to implementing this important new program that will lead to improved health care for populations served by the Medicaid program.”

*Jackie Garner
CMS Consortium
Administrator*



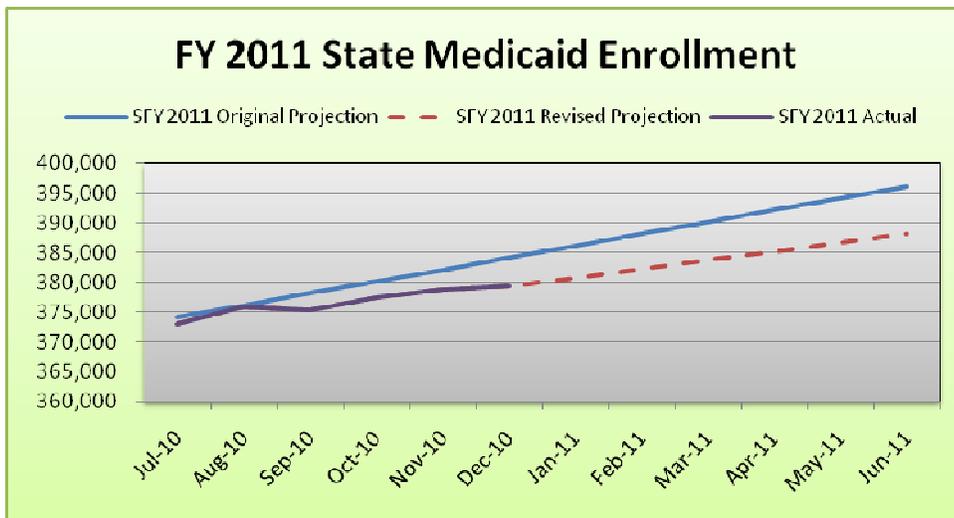
Medicaid Projections: \$10 Million Surplus in FY 2011 Explained

The Monthly Medicaid Forecasting Group met on January 7th to review Medicaid Projections. Following the review, the Group agreed to revise the FY 2011 Medicaid spending estimate downward again, and the State now expects to end the year with a \$10 million surplus. Slowing enrollment growth continues to be a primary reason for the decline in spending. Year-to-date enrollment is trending well below original projections, and this trend is expected to continue for the remainder of

the fiscal year. Also contributing to the surplus is the receipt of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) Performance Bonus Payment. These bonus payments are provided to help states offset the cost of increased Medicaid child enrollment. To qualify, a state must implement five of eight eligibility program features and meet certain enrollment targets established by the CHIPRA legislation. Iowa achieved these targets in the prior fiscal year, and

as a result, received a \$6.8 million bonus payment in December 2010. This additional revenue helped to eliminate the projected FY 2011 Medicaid deficit. While the current projection assumes the bonus payment will be retained in the Medicaid account, no final decisions have been made. If these funds are allocated for another purpose, the surplus estimate would be approximately \$3 million. Lower enrollment and spending growth in FY 2011 has also helped to reduce the

projected shortfall in the upcoming fiscal year. The latest forecast has reduced the FY 2012 budget gap from \$581 million to \$571 million.



“To clarify, Medicaid enrollment overall continues to grow, with the majority of the increase due to children, however the rate of increase is slower than anticipated.”

*Jennifer Vermeer
Medicaid Director*

Medicaid Forecasting Group Explained

The Medicaid Forecasting Group includes staff people from the Department of Human Services, Department of Management and Fiscal Services Division of the Legislative Services Agency. They meet monthly to analyze trends and

review expenditures. They agree on a range and a mid-point for figures that explain surpluses or gaps. Jess Benson of the Legislative Service Agency writes a monthly report, entitled “Monthly Medicaid Forecast” for the General As-

sembly that provides an excellent explanation of the monthly forecasting discussions. You can find the LSA report at the link below.

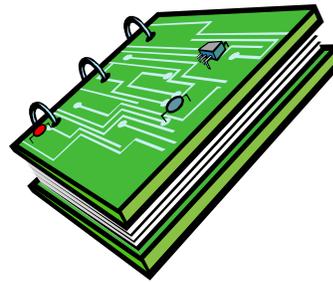
You can find the LSA Monthly Medicaid Forecasting Report at:

<http://www.legis.iowa.gov/LSAReports/medicaid.aspx>

Understanding New Projects at the IME

Iowa Medicaid has an unusually large number of new projects in the works in addition to the more highly publicized Affordable Care Act implementation. This series, called “Understanding New Projects at the IME” will

provide an overview of six of these complex projects. This month we will explore the adoption of ICD-10 and give a quick update on HIPAA 5010.



Adoption of ICD-10 in 2013 (Third in a Series)

The United States currently uses ICD-9 for diagnostic codes for reporting across the health care industry. For example, if you go to the doctor because you have the flu your doctor will code the claim with 487.1, which represents a flu diagnosis. This is going to change over the next two years as the country moves towards adoption of ICD-10, the newest version of the International Classification of Diseases, the international standards diagnostic classification for all general epidemiological, health management and clinical use. This transition is an

enormous undertaking, a world-wide event. The transition from ICD-9 to ICD-10 codes will impact reimbursements, disease management, data analytics including trending, prior authorizations and claims processing. For comparison, ICD-9 contained more than 17,000 codes. ICD-10 contains more than 155,000 codes and accommodates a host of new diagnoses and procedures. The ICD-10 project effort at Iowa Medicaid has been underway for some time and is expected to take over 161,000 hours. Over 60% of the effort for this project will be focused

on changes to rules, policy and business processes. The entire project is required to be completed by October 1, 2013. Because of the implementation date of the project the IME anticipates receiving and processing claims in dual mode through October 1, 2014. CMS has dedicated a website for additional information about ICD-10.

According to CMS, the change to ICD-10 “will be the most challenging transition since the inception of coding”.



Visit the Official CMS ICD-10 Website at the link below:

<http://www.cms.gov/ICD10/>

“Get Ready for Version 5010”

One year from this month, in January 2012, the health care industry will upgrade to implement HIPAA 5010. The

November edition of the “Endeavors Update” provided an overview of the project from the IME perspective. This month

CMS launched an educational effort, called “Get Ready for 5010” to support states’ efforts.

You can view the CMS “Get Ready for 5010” website at the link below:

<http://www.getready5010.org/>

Better Understanding of HCBS Waivers: Elderly Waiver (Third in a Series)

This month's series on "Better Understanding Home and Community-based Waivers" will focus on the Elderly Waiver. This waiver provides service funding and individualized supports to maintain eligible members in their own homes or communities who would otherwise require care in an institution such as a nursing facility. It is important to note that the consumer must choose HCBS services as an alternative to institutional services. Eligible applicants must be at least 65 years of age, an Iowa resident, United States citizen or a legal alien, and meet other Medicaid eligibility requirements. In addition, the consumer must be determined by Iowa Medicaid to need a nursing or skilled level of care. The waiver services are individualized to meet the needs of

each consumer and may include the following: adult day care, assistive devices, case management, chore services, consumer directed attendant care (otherwise known as CDAC), emergency response systems, home and vehicle modifications, home delivered meals, mental health outreach, nursing care, nutritional counseling, respite, senior companions and transportation. Iowa also has the option, called "Consumer Choices Option" which allows the individual to self direct some of the services. The Consumer Choices Option gives a consumer more choice, control and flexibility over their service plan along with additional responsibilities. An interdisciplinary team works with the consumer to make decisions about what services are necessary and payable under the

waiver. As of December 2, 2010 there were 9,293 individuals being served under the Elderly Waiver. There is currently no waiting list for this waiver. Total funding (Federal, State & Local) for SFY 2010 for the Elderly waiver was \$76.1 million, which made it the second highest waiver for funding, behind the Intellectual Disability waiver. The Elderly Waiver has an individual monthly maximum funding cap inclusive of all services (except for case management). The monthly cap depends on the level or care needed. The cap for nursing level of care is \$1,117.00 per month per individual. The cap for skilled level of care is \$2,631.00 per month per individual.

"The Elderly Waiver keeps people in their homes where they can maintain independence in surroundings where they are most comfortable and allows people to remain part of the fabric of their local communities."

—Leann Howland
HCBS Program Manager

You can view the Informational Packet about the Elderly Waiver at the site below:

<http://www.ime.state.ia.us/docs/EW2Packet.pdf>

You can view the current HCBS Waiting List Data at the site below:

<http://www.ime.state.ia.us/docs/2010SlotWaiting.pdf>



Iowa Receives CHIPRA Performance Bonus

Iowa received good news from the Centers for Medicare & Medicaid Services (CMS) in mid-December with word that the CHIPRA Bonus application submitted by Iowa Medicaid was successful in securing a \$6.8 million performance bonus. According to CMS, Iowa was one of only 15 states to achieve the bonus to support the enroll-

ment and retention of eligible children in Medicaid. \$206 million in total awards for FY 2010 were announced for states that have taken specific steps to simplify Medicaid and **hawk-i** enrollment and renewal procedures. This year's award is an increase over the \$75 million in bonus awards provided to 10 states during FY

2009. According to Iowa Medicaid Director Jennifer Vermeer, "this bonus is good news on several levels. Obviously we are pleased to receive support so that we can cover the eligible children who were previously not enrolled in services. But in addition, this infusion basically eliminates the need for a supplemental Medicaid

appropriation for the current fiscal year." Appropriation for the current fiscal year." Looking forward, CMS has informed Iowa Medicaid that, in order to be eligible for a performance bonus next year, they will need to make progress to document the elimination of the asset test for all eligibility categories for children.

"This bonus award is confirmation of your State's ongoing and strong efforts to identify and enroll eligible children in Medicaid and CHIP coverage."

*Cindy Mann
Director, CMS*

Link to the CMS CHIPRA Performance Bonus Fact Sheet:

http://www.hhs.gov/news/press/2010pres/12/fy2010_chipra_factsheet.pdf

hawk-i Board Releases Annual Report: "Enrollment Continues to Grow"

The Annual Report of the **hawk-i** Board to the Governor, Iowa General Assembly and Council on Human Services is now available. The report covers State Fiscal Year 2010. Overall, since the publication of last year's Annual Report, enrollment in **hawk-i**, Medicaid Expansion and Medicaid programs ex-

perienced significant growth. In the twelve month period between July 1, 2009 and June 30, 2010 total growth equaled 27,673 children. As of June 30, 2010 there were 44,870 children enrolled in Iowa's CHIP program. It is projected that by June 30, 2011, the total number of

children enrolled in CHIP will reach approximately 51,432 children. In the report you can learn more about the program's history, enrollment, outreach, outcomes, quality assessments and Board milestones. You can view the entire report at the link below.

<http://www.dhs.state.ia.us/Partners/Reports/PeriodicReports/HawkI/HawkiAnnual.html>



CHIP Explained

CHIP is the Children's Health Insurance Program administered under Title XXI of the Social Security Act and covers a comprehensive range of health and dental services for Iowa children who meet the eligibility criteria. CHIP is designed to provide health care coverage to uninsured children whose families income is over Medicaid limits. Iowa's CHIP program includes a Medicaid expansion, **hawk-i**, and **hawk-i** dental only. CHIP is a federal program operated by the State. CHIP programs receive approximately a 3 to 1 match.

Study Group Endorses Moving Remedial Services to the Iowa Plan

The Department of Human Services established the Remedial Services Transition Committee in response to a legislative mandate in HF 2526 (2010) to study the potential of moving remedial services from a fee-for-service program administered by the IME to the Iowa Plan. Remedial services are non-clinical services that provide skill development to reme-

diate mental health symptoms and behaviors to Medicaid members. Remedial services are those that are rehabilitative in nature; that is, the service must improve function. Remedial service providers assist individuals in learning age appropriate ways to manage their behavior and regain self-control. Currently 96% of remedial services utilizers are chil-

dren. After six months of intensive study the Committee issued a report and endorsed the concept of moving remedial services to the Iowa Plan beginning July 2011. The Committee concluded that “the inclusion of behavioral health intervention services within the Iowa Plan will allow for greater integration and coordination of care across clinical behavioral health and

behavioral health intervention services”. You can read the full report and the Committee’s ideas for improving quality and reducing unnecessary costs at the link below.

http://www.dhs.state.ia.us/docs/Legis_RemedialDec2010.pdf

“Throughout her tenure at Iowa Medicaid Enterprise, Jennifer has been a dedicated advocate for individuals who lack access to affordable, quality health care.”

*Ted Boesen
IA-NEPCA Director*

IA-NEPCA Names Vermeer Underserved Champion

The Iowa/Nebraska Primary Care Association, whose membership includes the state’s 13 community health centers whose mission is to care for underserved individuals, named Iowa Medicaid Director Jennifer Vermeer their “Underserved Champion of 2011”. IA-NEPCA awards this honor

annually to individuals who demonstrate a commitment to ensuring access to quality, affordable health care for all. Past recipients have included Congressman Bruce Braley, U.S. Senator Tom Harkin, State Senator Jack Hatch, State Representatives Dave Heaton and Ro Foege. The award was

announced in January with a reception to follow on February 15th.

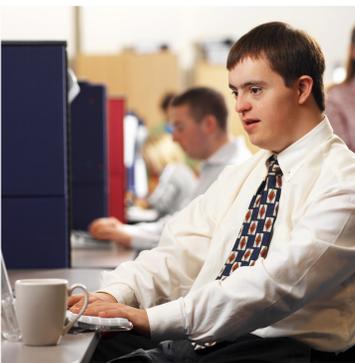


“A Life in the Community for Everyone”

DHS has released a five-year action plan, based on the premise that there should be “a life in the community for everyone”, focusing on choices and dignity for people with disabilities. The Olmstead Plan, named after the landmark 1999 U.S. Supreme Court decision was compiled by the

Mental Health and Disabilities Services division of DHS in conjunction with the Olmstead Consumer Task Force, the Iowa Mental Health and Disability Services Commission and other groups. It includes broad goals, such as building community capacity to serve people with disabilities and it

suggests dozens of action steps to reach the objectives. You may wonder what the connection is between Medicaid and Olmstead. Medicaid provides the key financial backing for many community based services



You can read the full report on the DHS website:

http://www.dhs.state.ia.us/docs/NR_OlmsteadPlanJan2011.pdf



Iowa Medicaid programs serve Iowa's most vulnerable population, including children, the disabled and the elderly.

We're on the web!

<http://www.ime.state.ia.us/>

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The Iowa Medicaid Enterprise (IME) is an endeavor, started in 2005, to unite State staff with "best of breed" contractors into a performance-based model for administration of the Medicaid program.

The Medicaid program is funded by State and Federal governments with a total budget of approximately \$4.2 billion. The \$4.2 billion funds payments for medical claims to over 38,000 health care providers statewide.

Iowa Medicaid is the second largest health care payer in Iowa. The program is expected to serve over 656,000 Iowans, or 21% of the population in State Fiscal Year 2012.

Reminder

Link to IME Medical Director's Medical Minute Column at:

<http://www.ime.state.ia.us/Providers/Newsletters.html>

This month's column is entitled "HCBS Waivers 101"

This update is provided in the spirit of information and education.

The Department shall not be liable for any damages that may result from errors or omissions in information distributed in this update.